

JAB 101  
9/14/81

"Red Folder"  
Frie for  
defense school  
meeting

State Dept. review completed

SECRET/SENSITIVE**TALKING POINTS****SUMMARY OF TALKING POINTS**

- Recognize contribution of robust economy to foreign policy.
- But military capabilities and security assistance are pillars of our foreign policy and arms control policy.
- Need to strike right balance among requirements for reduced budget deficits, strengthened military capabilities, and adequate security assistance.
- Cap's proposal strikes the right balance. Greater cuts would greatly hamper ability to conduct successful foreign policy.
- Because of deficiencies we inherited, we are playing catch-up. Defense modernization program announced last winter is central to countering Soviet expansionism and is keystone of credible foreign policy.
- Meetings with Dobrynin, Deng, Agha Shahi and others all provide concrete evidence of importance which allies and adversaries alike place on our new commitment to defense modernization.
- Defense priorities and implications of deep cuts:
  - Strategic forces are at the heart of our national security posture. Must be funded. Yet we cannot afford to emasculate our conventional forces.
  - Deep cuts could undermine Alliance revitalization. We could sacrifice leverage as we try to persuade NATO to do more, and could risk NATO commitment to LRTNF modernization.
  - Power projection is key to our objectives in Middle East and Southwest Asia. With reduced capabilities, Saudis will question US commitment to block Soviets. Middle East countries question ability to foster peace and stability in the area.
- We must not have to choose among those commitments which we will honor and those which we will shortchange. We must not have to choose where we will confront Soviet expansionism and where we will fall back.
- The OMB proposed cuts would pose grave risks to ability to conduct successful foreign policy.
- Cuts of that magnitude would destroy base on which our foreign policy is built and undercut our ability to compete with the Soviets.

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TALKING POINTS

-- WE FACE A SERIES OF TOUGH CHOICES ABOUT OUR ECONOMIC, MILITARY, AND FOREIGN POLICY PRIORITIES.

-- AS SECRETARY OF STATE, I AM FULLY SENSITIVE TO THE INDISPENSABLE CONTRIBUTION THAT A ROBUST AND GROWING ECONOMY MAKES TO OUR FOREIGN POLICY. I AGREE THAT WE NEED TO TAKE ADDITIONAL STEPS TO GET OUR ECONOMY BACK ON TRACK.

-- BUT AS SECRETARY OF STATE, I ALSO KNOW THAT OUR DEFENSE PROGRAM, ALONG WITH OUR SECURITY ASSISTANCE PROGRAM, ARE THE PILLARS ON WHICH MUCH OF OUR FOREIGN POLICY AND ARMS CONTROL POLICY MUST REST.

-- THEREFORE WE FACE THE PROBLEM OF BALANCING THE INDISPUTABLE REQUIREMENT TO RESTORE OUR POSITION OF STRENGTH IN THE WORLD WITH EQUALLY IMPORTANT NEED OF FINDING WAYS TO FURTHER REDUCE THE BUDGET DEFICIT.

-- I THINK THAT CAP'S PROPOSALS ON THE DEFENSE BUDGET STRIKE THE RIGHT BALANCE. BY CONTRAST, I AM AFRAID THAT CUTS OF THE SIZE THAT DAVE IS DISCUSSING WILL IMPOSE VIRTUALLY INSURMOUNTABLE HANDICAPS ON MY ABILITIES TO CARRY OUT THE PRESIDENT'S FOREIGN POLICY. LET ME EXPLAIN HOW I REACHED THIS CONCLUSION.

-- THIS ADMINISTRATION CAME INTO OFFICE COMMITTED TO HALTING THE EROSION OF US POWER AND INFLUENCE THAT HAS TAKEN PLACE.

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THE SUBSTANTIAL DEFENSE BUILD-UP WHICH WE ANNOUNCED WAS THE TANGIBLE EVIDENCE OF THAT COMMITMENT. OUR AMBITIOUS -- BUT ESSENTIAL -- PROGRAM OF DEFENSE MODERNIZATION HAS BECOME A KEYSTONE OF THE CREDIBILITY OF OUR FOREIGN POLICY WITH THE AMERICAN PUBLIC, OUR ALLIES AND ADVERSARIES, AND WITH THE FENCE-SITTERS AROUND THE WORLD.

-- IN BRIEF, THE DEFENSE PROGRAM -- AS WELL AS THE SPENDING LEVELS THEMSELVES -- HAVE BECOME CENTRAL TO OUR STRATEGY OF COUNTERING SOVIET EXPANSIONISM. ANY SIGNIFICANT DEPARTURE FROM THAT PATH NOW WOULD SEND A STRONG MESSAGE THAT THE FOREIGN POLICY OF THIS ADMINISTRATION -- LIKE THAT OF ITS PREDECESSOR -- WAS CHARACTERIZED BY VACILLATION AND UNCERTAINTY. I WOULD NOT WANT TO PUT THIS ADMINISTRATION IN THE POSITION OF HAVING TO ANSWER THE SAME KINDS OF ACCUSATIONS FROM CRITICS AT HOME AND ABROAD AS WERE LEVELED AT THE CARTER ADMINISTRATION.

-- VIRTUALLY EVERY MEETING I HAVE HAD WITH MY COUNTER-PARTS HAS PROVIDED CONCRETE EVIDENCE THAT THE DEFENSE BUILD-UP WE ANNOUNCED LAST WINTER HAS DRAMATICALLY CHANGED THEIR PERCEPTIONS ABOUT THE U.S.:

- MY MEETINGS WITH DOBRYNIN ROUTINELY UNDERSCORE THE FACT THAT OUR MILITARY MODERNIZATION PROGRAM IS AT THE HEART OF THE NEW SOVIET CONCERN ABOUT, AND RESPECT FOR, THE UNITED STATES.
- MY DISCUSSIONS WITH DENG XIAO PING MADE CLEAR THAT OUR

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ABILITY TO ACHIEVE THE KIND OF COOPERATION WE SEEK TO ESTABLISH WITH THE CHINESE WILL DEPEND HEAVILY UPON THEIR ASSESSMENT OF OUR WILLINGNESS TO REDRESS THE MILITARY BALANCE AND MEET THE SOVIET CHALLENGE.

- AS RECENTLY AS TWO WEEKS AGO, AGHA SHAHI, THE PAK FOREIGN MINISTER, TOLD ME THAT ONLY A STRENGTHENED U.S. COULD FORCE THE SOVIETS OUT OF AFGHANISTAN. I CAME AWAY FROM THAT MEETING CONVINCED THAT THE SECURITY RELATIONSHIP WE ARE TRYING TO ESTABLISH WITH PAKISTAN WOULD STAND OR FALL BASED ON THEIR ASSESSMENT OF OUR WILLINGNESS AND ABILITY TO COMPETE WITH THE SOVIETS.

-- LET ME BE MORE SPECIFIC ABOUT THE IMPLICATIONS OF SEVERE CUTS IN THE DEFENSE BUDGET FOR MY ABILITY TO CONDUCT A SUCCESSFUL FOREIGN POLICY ON BEHALF ON THE PRESIDENT:

-- WHILE WE HAVE YET TO SETTLE ON THE FINAL DETAILS, WE CLEARLY ARE COMMITTED TO AN EXTENSIVE -- AND EXPENSIVE -- PROGRAM OF STRATEGIC FORCE MODERNIZATION. THAT PROGRAM IS AT THE HEART OF OUR NATIONAL SECURITY POSTURE AND WILL SHAPE THE COURSE OF ANY ARMS CONTROL NEGOTIATIONS. I TAKE IT AS A GIVEN THAT THIS PROGRAM MUST BE FULLY FUNDED.

-- AT THE SAME TIME, WE CANNOT PERMIT THE COMBINATION OF AN INDISPENSABLE STRATEGIC FORCE PROGRAM AND DEEP BUDGET CUTS TO EMASCULATE THE REST OF OUR FORCE POSTURE AND HAMSTRING OUR FOREIGN POLICY.

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-- TO DO SO WOULD PUT US IN A POSITION OF CONSTANTLY CHOOSING WHERE WE WOULD CONFRONT SOVIET EXPANSIONISM AND WHERE WE WOULD BACK DOWN, AND OF CHOOSING WHICH DEFENSE COMMITMENTS TO HONOR AND WHICH WE WOULD HAVE TO SHORTCHANGE.

-- UNLESS WE RESTORE OUR CONVENTIONAL MILITARY STRENGTH WE WILL BE UNABLE TO EXPLOIT THE UNIQUE FOREIGN POLICY OPPORTUNITIES WE FACE, ESPECIALLY IN THE MIDDLE EAST AND ASIA.

-- DEEP CUTS WOULD UNDERMINE OUR PLANS TO REVITALIZE THE NATO ALLIANCE. THEY NOT ONLY COULD REQUIRE US TO REDUCE US FORCES IN EUROPE, BUT ALSO HAMPER OUR ABILITY TO MOVE FORCES THERE IN AN EMERGENCY AND TO FIGHT ONCE THEY DID GET THERE.

-- THERE IS NO WAY WE CAN PERSUADE THE LEADERS OF THE ALLIANCE TO INCREASE THEIR DEFENSE EFFORTS IF WE DO AN ABOUT-FACE OURSELVES. ON THE CONTRARY, SUCH A MOVE COULD FEED A GROWING ANTI-AMERICANISM IN EUROPE AND ENCOURAGE A DRIFT AMONG SOME TOWARD NEUTRALISM AT A TIME WHEN SOVIET FORCES CONTINUE TO THREATEN POLAND.

-- I UNDERSTAND THAT LARGE CUTS IN THE DEFENSE BUDGET WOULD REQUIRE US TO SLOW DOWN OR CUT BACK OUR PLANNED THEATER FORCE MODERNIZATION IN NATO. AS YOU ALL KNOW, THE NATO CONSENSUS WHICH SUPPORTS THIS PROGRAM IS -- AT BEST -- FRAGILE, AND ANY DISRUPTION IN OUR PLANS COULD LEAD TO ITS COLLAPSE. THAT OUTCOME BOTH WOULD PLAY DIRECTLY INTO THE HANDS OF THE SOVIETS, AND WOULD PUT US AT AN INSURMOUNTABLE DISADVANTAGE IN THE UPCOMING TNF NEGOTIATIONS.

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-- THE KEY TO OUR FOREIGN POLICY SUCCESS IN THE MIDDLE EAST, SOUTHWEST ASIA, AND ELSEWHERE IS AN INCREASED ABILITY TO PROJECT MILITARY POWER. "THE DEFENSE PROGRAM WE INHERITED, HOWEVER, INCLUDED A RAPID DEPLOYMENT FORCE WHICH WAS LITTLE MORE THAN A HEADQUARTERS, AND A NAVY WHOSE RESOURCES WERE STRETCHED TO THE BREAKING POINT.

-- THE INITIATIVES WE ANNOUNCED WILL SUBSTANTIALLY INCREASE OUR POWER PROJECTION CAPABILITIES AND PROVIDE THE NAVAL ASSETS WHICH ARE ESSENTIAL TO MAINTAINING A U.S. PRESENCE AND HONORING OUR COMMITMENTS. DEEP CUTS IN THE DEFENSE BUDGET WOULD JEOPARDIZE THESE CAPABILITIES.

-- IF BUDGET CUTS FORCE US TO DIMINISH OUR PRESENCE INSTEAD OF INCREASE IT, I DO NOT SEE HOW WE CAN PERSUADE THE SAUDIS THAT WE SERIOUSLY MEAN TO BLOCK SOVIET EXPANSIONISM OR TO PERSUADE THE COUNTRIES IN THE MIDDLE EAST THAT WE CAN FOSTER AN ENVIRONMENT OF STABILITY AND SECURITY WITHIN WHICH A LASTING PEACE CAN BE ACHIEVED.

-- IN BRIEF, I DO NOT SEE HOW WE CAN AVOID SERIOUS RISKS TO OUR POLICIES IN EUROPE, THE MIDDLE EAST, ASIA, AND AROUND THE WORLD IF WE ACCEPT THE KINDS OF DEEP CUTS THAT DAVE STOCKMAN IS DISCUSSING.

-- THE ECONOMIC PROBLEM IS TOUGH AND THE STAKES ARE HIGH, BUT THE STAKES ARE AT LEAST AS HIGH IN DEFENSE AND FOREIGN POLICY. WE HAVE LONG WATCHED A VIGOROUS SOVIET MILITARY MODERNIZATION

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... WILL TAKE PLACE WITHOUT TAKING CORRESPONDING ACTIONS, AND ALLOWED THE MILITARY BALANCE TO SHIFT TOWARD THE SOVIET UNION. U.S. ABILITY TO SHAPE EVENTS HAS DECREASED AND OUR ABILITY TO DETER SOVIET ADVENTURISM HAS DECLINED DRAMATICALLY.

-- CAP HAS DESIGNED A COMPREHENSIVE APPROACH FOR RESTORING THE MILITARY BALANCE AND REESTABLISHING US LEADERSHIP. THE FACT OF THIS PROGRAM HAS ITSELF BECOME A SOLID BASE FROM WHICH TO CONDUCT OUR FOREIGN POLICY. DEEP CUTS IN THE DEFENSE BUDGET RISK DESTROYING THAT BASE AND UNDERCUTTING OUR ABILITY TO COMPETE WITH SOVIETS.

-- WE HAVE A UNIQUE OPPORTUNITY. ATTITUDES ARE SWINGING OUR WAY. BUT IF WE ABRUPTLY REVERSE OUR DEFENSE EXPANSION NOW, EVEN BEFORE WE BEGIN, FOREIGN LEADERS WILL THINK THAT THIS ADMINISTRATION IS ALL BLUSTER AND RHETORIC AND NO SUBSTANCE.

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